



Don't Drop the Ball: See Your Agent About Flood Insurance

Full Mitigation Best Practice Story

Galveston County, Texas

Galveston, TX – When Roy De Gesero and his wife, Stephanie, purchased their Galveston home in 2003, the mortgage lender informed them they were not required to carry a flood insurance policy on the house. De Gesero discovered that the property was outside of, but adjacent to, the regulatory floodplain, an area that has a 1-percent chance of flooding in any year. Despite not needing flood insurance for the mortgage, the De Geseros purchased coverage anyway.



"I've been working in water management and wastewater treatment for the past 40 years," De Gesero explained. "I understand what water does. It's a very powerful medium. I know that if you live close to water, a lot of things can happen that you don't necessarily want to happen."

The De Geseros maintained a flood insurance policy on their home for five years after purchasing the house. On September 13, 2008 Hurricane Ike smashed into Galveston Island as a Category 2 storm, damaging and destroying thousands of homes and commercial buildings. Ike was responsible for significant loss of life, and resulted in billions of dollars in damage and recovery costs throughout the Gulf Coast.

According to De Gesero, Ike's tidal surge forced 18 inches of water into the living space of their home, as well as 26 inches of water into their garage. Damage to the De Geseros' home exceeded \$100,000. Fortunately, their flood insurance coverage was enough to repair the structural damage.

De Gesero said he and his wife were lucky, adding that nearby homes were hit with the full force of rushing water and debris that "acted like a battering ram on their homes. All those houses are severely damaged and, unfortunately, many of those folks didn't have flood insurance."

The De Geseros' insurance agent, Reggie Wendell, is affiliated with an agency that focuses on homeowners' policies primarily in Fort Bend, Harris, and Galveston counties. Approximately 25 percent of their clients carry flood policies in addition to homeowners' policies, despite the fact that only a very small number of the structures insured are located in regulatory floodplains and require flood coverage.

"I would say that we were proactive in creating 80 percent of those flood policies," said Wendell. He advised that insurance agents need to pay attention to all customers individually and identify the risks and exposures they have.

"There are a lot of homeowners out there who don't even know they're in danger, because they're not in the floodplain and have never investigated their flood risk," he said.

According to Federal Emergency Management Agency (FEMA) statistics, approximately 25 percent of flood insurance claims filed every year come from areas outside the regulatory floodplain. This figure represents an enormous number of homes that are not required to carry flood insurance and where the owners likely never suspect their homes are at risk from flood damage.

Wendell likes to remind his clients that flood risks don't always come just from living near bodies of water. He explained that new residential and commercial development can often have a serious impact on surrounding areas. Although new construction is supposed to be regulated to ensure no risk to neighboring subdivisions, any new development will likely have some effect on adjacent areas. The question becomes how significant that impact will be.

"A good way to determine if your home is at risk is to look around your neighborhood the next time you get a heavy spring or summer rain," Wendell explained. "If it's hard to get in and out of your subdivision because of high water, or someone stalls out at the corner, and you haven't seen that happen before, then you may have a flood risk you didn't know about."

"Your insurance agent should be there to help you," De Gesero said, adding agents should act as counselors or coaches. "They should be telling you what you need and don't need to do. But it's up to the homeowner to carry the ball. If you don't listen to your coach, and you fumble the ball, then there's nothing anyone can do."

Activity/Project Location

Geographical Area: **Single County in a State**

FEMA Region: **Region VI**

State: **Texas**

County: **Galveston County**

City/Community: **Galveston**

Key Activity/Project Information

Sector: **Public/Private Partnership**

Hazard Type: **Flooding**

Activity/Project Type: **Education/Outreach/Public Awareness**

Structure Type: **Wood Frame**

Activity/Project Start Date: **03/2003**

Activity/Project End Date: **Ongoing**

Funding Source: **National Flood Insurance Program (NFIP)**

Funding Recipient: **Property Owner - Residential**

Activity/Project Economic Analysis

Cost: **Amount Not Available**

Non FEMA Cost: **0**

Activity/Project Disaster Information

Mitigation Resulted From Federal
Disaster? **No**

Value Tested By Disaster? **Yes**

Tested By Federal Disaster #: **1791 , 09/13/2008**

Repetitive Loss Property? **Unknown**

Reference URLs

No URLs were submitted

Main Points
No Main Points were entered.